

Questions and Answers
for the
Alternative and Renewable Fuel and Vehicle Technology
Program Solicitations:
PON-09-608
June 23, 2010

1. Please consider extending this proposal deadline to the end of August, or early September.

Answer 1 The deadline for this solicitation will remain July 19, 2010. The Energy Commission policy is that a solicitation is open for a minimum of five weeks, the solicitation deadline allows for over six weeks to prepare a proposal.

2. Please just require technical specs and verification for each proposal package, rather than the requirement to submit a separate proposal package.

Answer 2 The solicitation doesn't require a separate proposal package. The requirements are outlined on page 5 and read as follows: "Applicants may submit multiple project proposals. Each proposal must be for a distinct, separate project. Each station in an application needs to be clearly delineated and adhere to all requirements contained in this solicitation. The Energy Commission reserves the right to fund only part of projects with multiple proposed fueling stations (for example only the station(s) of a proposal that are considered prime locations for deployed Fuel Cell Vehicles (FCVs)). Each station proposed must have a separate budget Attachment G."

3. Are all matching funds required to be cash? Does in-kind qualify? Can cost share of salaries and consulting fees, equipment/hardware, etc., qualify?

Answer 3 In-kind match is acceptable, and may include salaries, consulting fees, and equipment/hardware as long as it only includes actual costs incurred during the term of the agreement.

4. Can the time of the deadline for the submittal of questions be delayed to give time after the workshop for questions?

Answer 4 No, questions are accepted in writing to the Energy Commission until 3pm on June 16, 2010.

5. If a company made a commitment to public fueling infrastructure at a later date (but would be servicing a hydrogen lift-truck fleet internal to them to start off) would they be eligible for funding?

Answer 5 No, the primary focus of this solicitation is funding public fueling stations for fuel cell vehicles (FCV). A later commitment for public fueling would have to go into a proposal for a future solicitation where hydrogen fueling infrastructure is eligible.

6. If there is a mixed use fueling availability does it have to be outside the fence line with no restrictions? Could it be inside the fence with a check-in at a guard shack (for example)?

Answer 6 No, the fueling station can neither be inside a fence, nor reachable through check-in at a guard shack. This solicitation calls for fueling stations with unrestricted access. The primary focus of this solicitation is fueling infrastructure for FCVs. Public access and adequate egress/ingress are spelled out in the minimum requirements section of the solicitation.

7. During the workshop, the presentation stated that costs associated with onsite production of renewable hydrogen are eligible for cost share. Does offsite production and delivery of hydrogen also qualify if it meets or exceeds the 33.3 percent requirements of SB 1505?

Answer 7 Renewable hydrogen from offsite production may be used to comply with the 33.3 percent rule but its production cannot be part of a proposal for this solicitation.

8. Does bio-gas purchased in support of this project need to be procured ratably over the life of the project or can it be purchased in batches (i.e., quarterly, annually) and applied to hydrogen production to qualify as renewable as it is delivered?

Answer 8 It does not matter what quantitative method of acquisition is used for biogas as feedstock for hydrogen production. However, quantities, origin etc. must be documented according to the solicitation requirements.

9. Will the use of Renewable Energy Credits (RECs) be permitted in lieu of a physical bio-gas purchase and, if so, are there restrictions around where these RECs are generated and are there required documents or rules around how these RECs are applied?

Answer 9 RECs are permitted in lieu of physical biogas purchase as long as their purchase is documented. A higher score may be achieved if the RECs are generated in California. The applicant must document and quantify how the REC biogas amounts generate the share of renewable hydrogen fuel and how feedstock and fuel are quantitatively related.

10. In meeting SAE TIR J2719 Hydrogen Purity requirements, there are certain components in J2719 (such as helium, ammonia, hydrogen sulfide) that are not

routinely measured in either distributed or central hydrogen production facilities. What level and frequency of purity analysis is required as part of the solicitation, or is it up to the discretion of the proposer regarding J2719?

Answer 10 The Applicant should align this with the fuel purity standards of the Original Equipment Manufacturers (OEM(s)) from which they include letter(s) of recommendation.

11. Will the Energy Commission provide funding for used equipment? If so, is the funding percentage based on the book value of the asset or current purchase price of the asset?

Answer 11 No, but it may be used as match. The rate should be prorated based on the amount of use received from it for the project. It falls to the Recipient to defend their prorating.

12. If Company A is lead on a proposal for PON 09-608 and interested in installing hydrogen infrastructure and purchasing hydrogen powered fuel cells for their fork lift truck fleet, Purchase Orders (POs) are issued, and work began in July on the hydrogen infrastructure and fuel cells before an award is made, is Company A eligible for award funding from this solicitation in September/October?

Answer 12 No, Company A is not eligible to apply under this program. The stations are already funded and going forward and would be seeking to supplant the existing funding for ours. Their market is not focused on the OEM rollout of FCVs, but primarily aims at commercial needs of materials handling.

13. Company A is lead on PON 09-608 proposal. They will receive funding from Energy Commission and distribute to manufacturing/distribution Companies B and C. Companies B and C will be purchasing hydrogen infrastructure and fuel cells from Companies D and E. Is this acceptable if POs have been issued and work begun?

Answer 13 Proposals may include other entities such as contractors and subcontractors, but only expenses incurred during the term of the project will be considered for funding.

14. Are progress payment terms available to be negotiated with the winners, or does the Energy Commission plan to pay its full amount upon delivery of the final report?

Answer 14 As stated in the terms and conditions, disbursements are made on a reimbursement basis; preferably no more frequently than once per month.

15. Are applicants expected to meet all of the specifications in SAE J2601, or can an applicant take exception to a part of J2601?

Answer 15 Applicants are expected to meet all minimum specifications of all SAE standards that are included in the minimum requirements section of the solicitation.

16. If an applicant takes exception to a part of SAE J2601, will the application be considered “incomplete” and dis-qualified?

Answer 16 Taking exception to a part of this particular technical standard will not automatically disqualify the proposal, however, it may negatively affect the score of an applicant’s proposal.

17. Will the term of the grant agreement with the Energy Commission include the three years of operation?

Answer 17 The period of performance will not include the three years of operation.

18. Will retention funds be released at the end of the period of performance once construction and initial operation has started at the station?

Answer 18 Release of the Retention funds is appropriate after all construction is finished, after all costs are in and the final report has been approved.

19. 5 percent “Fast-track bonus”: Will the 5 percent of funding be held back or 5 percent additional funding be added into the scope?

Answer 19 No, the 5 percent will be within the \$19 million allocation for this solicitation.

20. Why are there federal provisions in the sample Terms and Conditions?

Answer 20 As the terms and conditions state, even though there is no federal funding offered in this solicitation, the federal regulations on grant administration and cost principles are referred to as a guide, if questions arise about the proper management of these funds.

21. The DOE reference is a reference, not a requirement, correct?

Answer 21 Yes, the reference to the DOE regulations is to guide the use of these state funds.. There is currently no federal funding in hydrogen infrastructure.

22. In the Application Manual it discusses provisions for equipment. Can you clarify this? Who retains ownership of the equipment? Does this relate to the 3 years of operation required?

Answer 22 The title vests with the applicant at the end of the project. If there is equipment still in use, we will come to an agreement about how it will continue to be used. Our main goal is to see that it continues to be used for general project goals and to ensure that it is not just bought with Energy Commission funds and then sold. The Energy Commission has no interest in taking back and storing equipment. We simply want to make sure that it is used for the intended purpose and remains useful. The business plan for operations included in the proposal should adequately demonstrate that the applicant will meet this requirement.

23. Proper training: Is it acceptable if minimal training from the bidder is offered at one station and then considered applicable to other stations instead of providing training at each and every station? Or is it acceptable if applicants think it is viable to provide no training?

Answer 23 The owner/operator has a vested interest in this training. We want to make sure that everybody is adequately trained. "Adequate" in this context is best defined by the owner/operator.

24. What is valid/eligible as matching funds? In-kind? Cut salary by 50 percent? Donate salary? Cut cost down? Station facilities? People?

Answer 24 In-kind can be used for any cost that would otherwise be incurred to get the project done.

Standard limitations include:

- That the cost must be incurred for the project
- Costs cannot include any kind of profit
- Costs must fit into one of the provided categories
- All costs must be incurred within the term of the agreement. The term begins with the execution of the agreement and ends on the agreed upon end date.

25. Is that the cost for the station or is operation and maintenance cost added on to that? Separate or total?

Answer 25 Only the cost to establish the station will be included. This does not include operation and maintenance cost.

26. In relation to training. Should there be persons present at the station(s) or will all drivers/customers have to attend training workshops? Is this up to the proposer? Does it have to be arranged with the operator? How does this have to be dealt with for the general public? Should training be in conjunction with the OEMs?

Answer 26 Applicants and owners/operators are responsible for providing adequate training for users of station(s). The level of training depends on the configuration of the station(s).

27. What if one of the equipment suppliers has federal development funding for the technology, is this then eligible as cost share/match funds?

Answer 27 No, this is not eligible unless it is granted as part of the cost share for the specific project and during the term of this agreement for the specific establishment of a station under this program in California.

28. Who is in the role of facilitating teams/partnerships?

Answer 28 The Energy Commission does not facilitate teams and partnerships. The California Fuel Cell Partnership with OEMs may be able to facilitate teams and partnerships.

29. Is high pressure hydrogen storage the only acceptable form of storage on-site at the fueling station, or is solid state storage an option?

Answer 29 As long as the dispensing pressures, temperature, capacity and all other requirements according to SAE protocols are provided to meet the needs of the OEMs, it is up to the proposer how they store the hydrogen on-site.

30. What are the expectations for the form of OEM letters of support? Can you provide any guidance?

Answer 30 OEMs need to express in their own words their support of the project. These letters must include all the requested components listed in the solicitation, most importantly the suitability, acceptability of the stations and how the stations would meet the needs for vehicles during the three years of operation.

31. Will leak simulation be considered?

Answer 31 No, this is not within the scope of this solicitation. The solicitation calls for the establishment of hydrogen fueling stations.

32. Would onsite high density hydrogen storage with ambient hydride (a chemical form of hydrogen storage where the hydrogen is chemically bound, usually by a metal hydride) be considered? It would then be compressed and dispensed.

Answer 32 As long as the pressures, capacity and all other requirements are provided, it is up to the proposer how they store the hydrogen on-site. Again, this solicitation calls for the establishment of hydrogen fueling stations.